

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice PM-2345

For: FFAS Employees

2003 Interest Rates for Service Credit Deposits

Approved by: Deputy Administrator, Management



1 Service Credit Deposits

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Purpose

This notice:

- provides updated interest rates applicable to civilian and military service credit deposits

Note: These rates apply to both the CSRS and FERS Retirement Systems.

- defines deposits, redeposits, and post-56 military deposits
- informs employees that deposits **can be made at any time** during an employee's career or at time of retirement

B

Definition of
Deposit

Deposit is a sum of money that is paid into the retirement fund, plus interest by an employee, to cover a period of service during which FERS or CSRS retirement deductions were not withheld from pay. This includes temporary employment, intermittent/WAE service, and Peace Corps Volunteer Service.

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Disposal Date

January 1, 2004

Distribution

All FAS, FSA, and RMA employees; State Offices
relay to County Offices

1 Service credit Deposits (Continued)

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**Definition of
Redeposit**

Redeposit is a sum of money paid into the retirement fund, plus interest by an employee, to cover a period of service during which CSRS retirement deductions were withheld and later refunded to the employee after separation from Federal service. A refund for FERS service may not be repaid nor can refunded FERS service be credited for future retirement purposes.

D

**Definition of
Military Deposit**

Military deposit is the amount of money required to receive credit for title and annuity computation purposes for active duty military service performed after December 31, 1956. The deposit amount is based on the earnings during the military service which is certified by the military.

2 Interest Rates

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**2003 Interest
Rate**

The variable interest rate for 2003 is 5.000 percent.

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2 Interest Rates (Continued)

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**Prior Interest
Rates**

Following are the interest rates for prior years.

Year	Interest Rate (Percent)
Before 1948	4
1948 to 1984	3
1985	13
1986	11.125
1987	9
1988	8.375
1989	9.125
1990	8.75
1991	8.625
1992	8.125
1993	7.125
1994	6.250
1995	7.0
1996	6.875
1997	6.875
1998	6.750
1999	5.750
2000	5.875
2001	6.375
2002	5.500

3 Effect Of Deposits on Service or Annuity

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Nonpayment of Service Credit Payments

Nonpayment of service credit payments can have an affect on determining eligibility for retirement and in computing the amount of annuity. FERS employees **must** pay deposits for nondeduction service before January 1, 1989, and post-56 military service to receive retirement credit for that service. Interest continues to accrue on unpaid deposits until they are paid in full or the employee retires.

Employees can apply to make deposits at **any time** during their career or at time of retirement.

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Action Required

To obtain additional information about how application of interest and service credit payments may affect your service or annuity, contact the appropriate office as follows.

IF located in...	THEN contact...
<ul style="list-style-type: none"> FSA National Office All RMA, except Kansas City Office FAS 	HRD, Performance Management, Benefits and Awards Branch, at either of the following: <ul style="list-style-type: none"> 202-418-9021, 202-418-9039 TDD 202-418-9116.
Caribbean Area Office	Administrative Office, 809-729-6872.
FSA State & County Offices	State Administrative Officer.
<ul style="list-style-type: none"> KC-ITSTO KC-ITSDO KCFO KCCO KCAO RMA, RDD and Kansas City Compliance Office APFO 	KC, HRD at either of the following: <ul style="list-style-type: none"> 816-926-6643 816-926-6148.
